



Federal Communications Commission
Washington, D.C. 20554

December 6, 1994

92-77

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FEDERAL COMMUNICATIONS COMMISSION
SECRETARY

The Honorable J. Dennis Hastert
U.S. House of Representatives
2453 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Hastert:

Thank you for your letter regarding the Commission's Billed Party Preference (BPP) proceeding. I appreciate your sharing your thoughts with us.

On May 19, 1994, the Commission adopted a Further Notice of Proposed Rulemaking in this proceeding. I have enclosed a copy of the Further Notice and press release accompanying it for your information.

The Further Notice sets forth a detailed cost/benefit analysis of BPP. This analysis indicates, based on the available data, that the benefits of BPP to consumers would exceed its costs. The Further Notice sought comment on this analysis and asked interested parties to supplement the record concerning the costs and benefits of BPP. The Further Notice also invited parties to recommend alternatives to BPP that could produce many of the same benefits at a lower cost. Reply comments were due September 14, 1994. Presently, the Commission is evaluating the comments submitted and considering the implementation of BPP along with other options.

The Further Notice also explicitly sought comment on whether correctional facility telephones should be exempt if BPP is adopted. Specifically, the Further Notice sought additional information on the effectiveness and costs of controlling fraud originating on inmate lines with or without BPP. The Further Notice also sought comment on a proposal to exempt prison telephones from BPP if the operator service provider adheres to rate ceilings for inmate calling services.

BPP would not preclude prison officials from blocking or limiting inmate calls to specific telephone numbers in order to prevent threatening and harassing calls. Moreover, BPP would not affect the ability of prison officials to limit inmates to collect calling or to program telephone equipment at the prison site to block certain numbers.

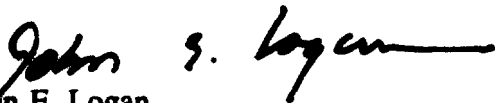
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The Honorable Dennis Hastert
Page 2

Thank you for your interest in this proceeding. I can assure you that the Commission will carefully examine all of the comments submitted in response to the Further Notice, including additional empirical data regarding the costs and benefits of implementing BPP and the impact of BPP on telephone service from correctional facilities.

With respect,


John E. Logan
Deputy Director
Office of Legislative and Inter-governmental Affairs

Enclosures

J. DENNIS HASTERT
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Ms. Judith L. Harris
Director of Legislative Affairs
Federal Communications Commission
Room 808
1919 M St., N.W.
Washington, D.C. 20554

Dear Ms. Harris:

I would like to add my comments to those who have brought to your attention issues regarding Common Carrier Docket 92-77. My particular area of concern is billed party preference (BPP) for inmate facilities.

BPP may be a way to create competition in the marketplace, and your proposed rulemaking explores the ramifications of moving to this policy. However, BPP may not be appropriate in all cases. I submit that inmate facilities exemplify one of these cases.

Inmate facilities harbor convicted criminals who may have no scruples about manipulating the phone system with fraudulent, criminal or abusive calls. Many such facilities have developed contracts with companies that have developed equipment specially designed to prohibit or limit this type of activity. In addition, the carrier's route inmate calls through special operators trained to handle them. If all companies will not be providing this type of service to the inmate facilities, they should not be required to offer BPP. Or, another option may be to have partial BPP, with choices for inmates of those companies willing to offer this additional service.

In addition, many prisons would lose the revenue stream that funds their phones if BPP were in place. These phones are usually pay phones. In order for the prison facilities to be able to afford to provide phone service, they must have this revenue. Prisons have numerous demands on limited funds. It is not unreasonable to ask prisoners to pay a price for this benefit afforded them.

Thank you for your consideration of these comments.

Sincerely,

J. Dennis Hastert
Member of Congress

JDH:ld